CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Fergus County Land Banking Sale-B

Proposed

Implementation Date: Summer 2019

Proponent: Jon and Connie Berg

Location: Jon and Connie Be

T19N, R26E, Sec 36 - Common Schools

County: Fergus County

I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, one parcel encompassing 640 acres of state trust land currently held in trust for the Common School trust beneficiaries.

Revenue from the sale would be deposited in a special account used to purchase replacement land meeting acquisition criteria related to legal access, productivity, and potential income which would then be held in trust for the beneficiary. The proposed sale is part of the Land Banking program authorized by the 2003 Legislature. The purpose of the program is to diversify the land portfolio of the various trusts, improve the sustained rate of return to the trusts, improve access to state trust land, and consolidate ownership.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

DATE GROUP AND / OR INDIVIDUALS CONTACTED

May 14 to June 17, 2019

Montana Environmental Policy Act - Public Scoping

Individuals and organizations contacted:

Trust Land lessees, adjacent landowners, County Commissioners, Negotiated Rulemaking Committee members, Land Banking scoping list and DFWP Region 4.

Two comments from adjacent landowners and six comments from other members of the public were received regarding the proposed sale.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Alternative A- No action, do not sell Trust Land. Alternative B- Sell Trust Land

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

A variety of wildlife species including elk, mule deer, antelope, fox, coyote, sage grouse, sharp-tail and non-game birds use this tract during various times of the year. No seasonal concentrations of wildlife are known to exist on the tracts.

No direct, indirect or cumulative effects are anticipated.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A search of the Natural Heritage Resource data base did not identify habitat for any threatened or endangered species. The search did identify habitat within Fergus County for following sensitive species; Black-tailed Prairie Dog and Greater Sage Grouse.

A prairie dog town covers over half of this tract and a good portion of the grazing lessee's deeded land to the east. The proposed sale should have no adverse impacts to the Black-tailed prairie dog if current management stays the same as the lessee has indicated.

The proposed land banking tract lies within designated general sage grouse habitat outlined in the Governor's Executive Order 12-2015. No sage grouse leks are known to exist on the property. The northwestern quarter section has been previously broken for farming and is no longer suitable sage grouse habitat. Dovetail creek bisects the parcel with unsuitable habitat. In addition, over half of this tract is occupied by a prairie dog town that has further degraded the sagebrush plant community. Sage brush constitutes approximately 5% of the plant community. Farm land exists immediately adjacent to the parcel to the west and Mr. Berg's homestead lies immediately to the east. The parcel thus provides poor sage grouse habitat.

No direct, indirect or cumulative effects are anticipated

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The DNRC conducted a Class III cultural and paleontological resources inventory of the entire state parcel. Despite a detailed examination of the APE, no cultural or paleontologic resources were identified. Disposition of this tract of land will have *No Effect* to *Antiquities* as defined under the Montana State Antiquities Act. A formal report of findings will be prepared and filed with the DNRC and the Montana State Historic Preservation Officer.

No direct, indirect or cumulative effects are anticipated

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The parcel consists of an upland bench bisected by Dovetail Creek with some pine covered hills in the SW4. No change in aesthetics is expected as a result of sale.

No direct, indirect or cumulative effects are anticipated.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Sale of the parcel does not require use of any limited natural resources. No direct, indirect or cumulative effects are anticipated.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

This parcel is located adjacent to the subdivision of the former Weaver Ranch known as Trophy Ridge. The Trophy Ridge sub-division consists of tract land sold to predominately recreational buyers. The parcel is legally isolated to the public but neighboring landowners of the sub-division have recreational access through their property. The parcel is located within the 410 hunting district which has a large elk herd. The southwest quarter of the parcel is partially treed offering good hunting opportunity while the remainder is a prairie dog town and former crop land offering lesser hunting opportunity.

Eight comments were received expressing opposition to the sale due to the loss of access for hunting. Two comments were from adjacent landowners who opposed sale due to loss of recreational access and a perceived diminution to their property value from the loss of access to adjacent state trust land. The six remaining comments were parties who received permission to access the parcel from the adjoining land owner.

Sale of the parcel would result in the loss of non-permissive access to parcel by adjoining landowners and their invitees. Adjoining landowners could bid to purchase the property.

There would be no loss of access to the general public as the parcel lacks legal access.

No direct, indirect or cumulative effects are anticipated.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

This sale proposal will not result in any need for additional housing nor affect population.

No direct, indirect or cumulative effects are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

This sale proposal will not result in any change to native or traditional lifestyles. No direct, indirect or cumulative effects are anticipated.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The parcels do not exhibit any unique qualities.

No direct, indirect or cumulative effects are anticipated.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

This 640-acre parcel currently has one grazing lease that produces 95 total AUMs at a rate of \$13.10 and generating an annual income of \$1244.50. This parcel is also currently leased for outfitting at a rate of \$0.30/acre or a total of \$192.00 annually. Total income from the parcel is \$1436.50 or approximately \$2.24/acre. State wide 4.3 million acres of grazing land produce an average carrying capacity of .25 AUM / acre and return of \$3.28 / acre. Therefore, this tract is considered below average in productivity and revenue per acre.

An appraisal of the property value has not been completed. Assuming a value of \$500/acre for grassland, current annual return on the asset value for this tract is 0.45%. Average income rate of return on agriculture/grazing acquisitions with income generated from annual lease payments is 1.99%. This would indicate a higher return on asset value could be expected under Alternative B, sale of the property.